

SUBJECT: PATENT POLICY UNIVERSITY OF NORTH TEXAS

APPLICABILITY: TOTAL UNIVERSITY

INTRODUCTION

While the creation or discovery of patentable materials and processes is not the primary objective of the University of North Texas ("UNT" or "university"), the Board of Regents has established this Patent Policy to (1) encourage creative endeavors by the UNT faculty, staff, and students, and (2) ensure that the disposition of inventions and discoveries resulting from those endeavors will be made in the best interest of the public, the inventors, and UNT. The policy is further intended to protect the respective interests of all concerned by ensuring that monetary and other benefits derived from inventions and discoveries are distributed equitably to the inventors, UNT and other appropriate parties.

This policy shall apply to all persons employed by UNT, to students using UNT facilities or other resources, and to postdoctoral and predoctoral fellows ("UNT personnel").

POLICY STATEMENT

I. GENERAL POLICY

All discoveries, inventions, innovations, and improvements ("inventions"), whether patentable or unpatentable, made by UNT personnel in the course of their employment or through the use of facilities or funds provided by or through UNT shall become the property of UNT, and all rights therein shall be assigned by the inventors to UNT for licensing or other disposition as determined by a duly authorized official of the university, unless such inventions are covered by a pre-existing agreement in accordance with this policy. Inventors who make inventions that become the property of UNT under this policy will share in the income derived by UNT from those inventions in accordance with the policy.

II. ADMINISTRATION

II. A. UNT Patent/Copyright Officer

The President shall appoint a UNT Patent/Copyright Officer who shall have the responsibility of administering the university invention and patent program in accordance with this policy. In the administration of the program, the Patent/Copyright Officer shall consult with the UNT Legal Counsel, who shall determine questions of law and the applicability of this policy.

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All inventions subject to this policy will be reported to the Patent/Copyright Officer. The responsibilities of the Patent/Copyright Officer are to:

1. Establish procedures for the disclosure of inventions and the processing of invention disclosures.
2. Submit invention disclosures to the Patent and Copyright Committee ("Committee"), receive recommendations from the Committee, and make recommendations to the President, who shall make the final decision as to disposition.
3. Carry out the university's responsibilities in accordance with the determination made, including the marketing, licensing, and other commercialization efforts for the UNT-owned inventions.

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II. B. UNT Patent and Copyright Committee

To help administer this policy and to carry out the responsibilities listed herein, a UNT Patent and Copyright Committee shall be established. The committee shall consist of at least six members, including the Patent/Copyright Officer (who shall be an *ex officio* non-voting member), a representative appointed by the Vice President for Finance and Business Affairs, and four faculty members. At least two of the faculty members must be from disciplines that conduct research which may lead to patentable inventions. Faculty members shall be appointed by the Provost and Vice President for Academic Affairs for staggered three-year terms from among nominees selected by the Faculty Senate. Each voting member of the committee shall have one vote.

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The chair of the Committee shall be elected annually by and from among the voting members. The chair may appoint *ex officio*, non-voting members to assist the Committee in the conduct of its business, including ad hoc members as needed to review specific inventions.

If any faculty member of the Committee fails to attend as many as two consecutive meetings of the Committee and if in the opinion of a majority of Committee members, these absences have not been justified, the Committee chair shall advise the Provost and Vice President for Academic Affairs and request that this appointment to the committee be terminated and that a replacement be appointed for the unexpired portion of the term.

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The responsibilities of the Committee are to:

1. Review invention disclosures and make recommendations to the Patent/Copyright Officer as to their disposition.

- Deleted: 2. Hear appeals of administrative decisions concerning patent matters and make recommendations to the Provost and Vice President for Academic Affairs. The Provost and Vice President for Academic Affairs shall study the recommendations and send them, together with his/her recommendations, to the President, who shall make the final determination as to the disposition of the appeals.

2. Initiate and/or evaluate proposed changes in this policy and make recommendations to the Provost and Vice President for Academic Affairs concerning those changes.

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III. INVENTION CATEGORIES AND PROPERTY RIGHTS

Under this policy, there are four categories of inventions based on source of support. All inventions except those in Category 1 must be reported to the Patent/Copyright Officer. Category 1 inventions may be reported to the Patent/Copyright Officer if the inventor desires a review for potential university administration of the invention or for other purposes.

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III. A. Category 1

Definition—The invention is unrelated to the individual's employment responsibility and resulted from the individual's efforts on his/her personal time without any support from or through UNT and without the use of any UNT resources.

Rights—Category 1 inventions are the exclusive property of the inventor(s), and UNT shall have no rights therein nor any claim to revenues or other benefits deriving from such inventions. Should the inventor choose to offer his/her invention to UNT, the Patent/Copyright Officer, after review of recommendations from the Patent and Copyright Committee, shall recommend to the President whether to accept the invention for administration by the university and whether the university will compensate the inventor for any expenses previously incurred in pursuit of a patent thereon. The determination by the President shall be the final decision. If the invention is accepted for administration by UNT, the rights of the parties shall be those set out for Category 2 inventions.

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III. B. Category 2

Definition—The invention resulted from activities that:

1. were performed by the individual during the course of his/her employment;
2. were supported by State or other UNT funds; or
3. involved the use of UNT resources (employee time, facilities, equipment, supplies, and other university-owned resources).

Rights—Category 2 inventions are the property of UNT, which shall have the sole right to determine the disposition thereof. That disposition shall be determined by the President, after receiving recommendations from the Patent and Copyright Committee and the Patent/Copyright Officer. The President may determine that UNT's rights in the invention be either:

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1. Assigned to the inventor (save a non-exclusive, royalty-free, perpetual, irrevocable license to the university to make, use, and modify the invention for its research, instruction,

and other purposes), provided that the assignment is in the best interests of the public and that the inventor reimburses UNT appropriately for the use of university resources; or

- 2. Retained by UNT for its sole benefit (UNT may exploit the invention by means such as licensing to one or more firms for development and commercialization); or
- 3. Transferred to a patent management organization for patenting and commercialization; or
- 4. Commercialized by another appropriate method, such as assigning to a research and development organization, licensing as a trade secret or other means.

III. C. Category 3

Definition—The invention resulted from activities supported in part by (1) a grant from or contract with a federal or state government unit, (2) a grant from a private, non-profit entity, (3) a gift from a private entity or individual to UNT, ~~or (4) a grant or contract with a private, for-profit entity.~~

Rights—Rights in Category 3 inventions shall be determined by (1) the terms of the agreement between UNT and the sponsor and (2) the terms of this policy. When the agreement allows UNT to retain rights in Category 3 inventions, those rights shall be the property of UNT and shall be subject to the same types of disposition as Category 2 inventions, to the limit permitted by the agreement and applicable sponsor regulations.

III. D. Category 4

Definition—The invention resulted from work commissioned by UNT expressly for the purpose of creating materials or processes that are expected to be utilized and patented by the university.

Rights—Category 4 inventions are the property of UNT, which shall have the sole right to determine the disposition thereof. That disposition shall be determined by the ~~President, after reviewing recommendations from the Patent and Copyright Committee and the Patent/Copyright Officer.~~

IV. ALLOCATION OF COSTS

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Definition—The invention resulted from activities supported in part by private, for-profit entities.

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When UNT holds the rights in an invention, the university will bear all costs of patenting, marketing, licensing, and otherwise commercializing the invention that are incurred at the direction or with the approval of the patent/copyright officer.

When UNT accepts a Category 1 invention for administration, previous expenditures by the inventor(s) incurred in patent searches, patent applications, and similar actions relating to the invention may be reimbursed by the university if recommended by the committee and approved by the patent/copyright officer. These reimbursements may be from university funds or from revenues generated by licensing or otherwise commercializing the invention.

V. DISTRIBUTION OF REVENUES

Should UNT determine to patent, license, or otherwise exploit inventions which it owns, all net revenues resulting therefrom shall be shared with the inventor(s) as prescribed below. Net revenues are defined as that portion of the gross income received by UNT which remains after the deduction of costs incurred in patenting, licensing, defending the patent, and/or otherwise protecting and exploiting the invention.

The division of net revenues from Categories 2-3 inventions shall be as follows:

- 1. 50% of net revenues to the inventor and 50% of net revenues to UNT.
- 2. UNT's share of net revenues shall be allocated as follows: 50% will be retained and used to promote UNT's development of intellectual property and 50% will be allocated to the research program of the inventor.
- 3. In the case of multiple inventors, the inventors' share of net revenues shall be divided as specified on the form disclosing the invention. Should the inventors fail to agree on a division, the Vice President for Research & Technology Transfer shall make the final determination.



The UNT portion of net revenues shall be administered by the Vice Vice President for Research & Technology Transfer who shall use the funds to further research at the university.

The Committee shall recommend and the Patent/Copyright Officer shall determine whether the inventor(s) shall share in the net revenues from Category 4 inventions and, if so, to what extent.

VI. EQUITY AND MANAGEMENT PARTICIPATION

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Deleted: 2. For amounts over \$50,000: 25% to the inventor(s); 75% to UNT.

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1/3 (25% of total net revenues) shall be transferred to a university account for the use solely by the inventor; and 2/3 (50% of total net revenues) shall be retained by the university. The 1/3 share to be deposited in an account for use by the inventor is intended to fund his/her research at UNT. Should an inventor die or leave UNT, his/her share shall revert the Vice Provost for Research for distribution. In the case of multiple inventors, the 1/3 share shall be divided equally among the inventors unless otherwise specified and agreed to by the inventors on the Invention Disclosure Form. Should one or more of these inventors leave UNT, their portion of the 1/3 share may be retained by the other inventory(s) to further their research.

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Consistent with Texas Education Code Section 51.912 and subject to approval by the President, an inventor may hold an equity interest in or serve as a director, officer, or employee of a business entity that has an agreement with UNT relating to the research, development, licensing or exploitation of that invention. When appropriate and desired by the inventor(s), the Patent/Copyright Officer shall attempt to obtain partial ownership (equity) and/or participation in the management for the inventor(s) in business entities that utilize technology created at the university. When negotiating such participations, the Patent/Copyright Officer shall work closely with the inventor(s) and the UNT legal counsel to ensure mutual agreement among all parties.

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The Patent and Copyright Committee shall make recommendations regarding any such equity and management participation to the Patent/Copyright Officer. After reviewing the Committee's recommendations, the Patent/Copyright Officer will make his/her recommendations to the President, who will review both sets of recommendations and make the final decision.

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VII. REPORTING AND FISCAL ADMINISTRATION

The UNT Patent/Copyright Officer shall make annual reports on inventions and patent-related activities to the President. These reports shall cover inventions made, patent and copyright committee actions, disposition of inventions, status of licensing negotiations, income received, and other relevant information. These reports shall also include the name of any business in which a UNT employee holds an interest or for which the individual serves as a director, officer, or employee as authorized under Section VI of this policy. The President will, in turn, make reports to the Board of Regents on these matters.

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Fiscal administration of inventions and patent matters will be done in accordance with university policies and practices. Transactions of \$300,000 or more shall be presented to the Board of Regents for approval. Patent income shall be placed in a local account under the supervision of the Vice Provost for Research. Expenditures for expenses and distribution of income shall be made in accordance with this policy.

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VIII. UNT PERSONNEL OBLIGATIONS

All UNT personnel subject to this policy must:

1. Report all inventions made to the Patent/Copyright Officer, excepting only Category 1 inventions.
2. Provide all information requested by the Patent/Copyright Officer or Committee in a timely manner.

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3. Cooperate fully with the Patent/Copyright Officer and the Patent and Copyright Committee so that proper and equitable determinations can be made as to disposition of rights and revenues.

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4. Withhold public disclosure of the invention until a determination has been made on the disposition of the invention and appropriate actions, such as filing United States and foreign patent applications, have been taken.

In addition, when the invention is determined to be a Category 2 invention or subject to Category 2 rights, UNT personnel must:

1. Apply for United States and foreign patent protection on the invention and cooperate fully with UNT officials and patent attorneys in the pursuit of patents and the defense thereof.
2. Assign their rights in the invention to UNT and execute other legal documents as required for protection and commercialization of the invention.
3. Cooperate with UNT officials, licensees, and others in the development, marketing, and commercialization of the invention.

When the invention is determined to be a Category 3 invention, UNT personnel shall assign their rights to the sponsor or UNT, as the agreement stipulates, and shall cooperate fully with the sponsor and UNT in obtaining patent protection and commercializing the invention.

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IX. CONDITION OF EMPLOYMENT

The terms of this policy are part of any contractual relationship with UNT with any member of the faculty, staff, or student body. This policy shall be deemed to be a part of the conditions of employment of every employee of UNT and a part of the conditions of enrollment and attendance at UNT by all students engaged in research using UNT facilities.